

# **FISCAL NOTE**

## **SB 3420 - HB 3482**

March 2, 2004

**SUMMARY OF BILL:** Authorizes the Commissioner of Commerce and Insurance to require any insurer placed under administrative supervision to pay any and all appropriate and reasonable costs incurred during the supervision, including any contacted costs.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - To the extent that employees of the Department of Commerce and Insurance perform administrative supervision activities, it is estimated there will be an increase in state revenues of \$50,000, earmarked to the department to offset expenses. To the extent that contract services are used to perform administrative supervision activities, it is estimated that any expenditures for such services will be offset by revenues collected from insurers placed under administrative supervision.**

Estimate assumes the Commissioner of Commerce and Insurance will charge back the costs of supervision. Such supervision may be conducted by employees of the department or through contacted services. The Department has had supervision expenses of approximately \$100,000 over the past two years which will be funded by affected insurers under the provisions of the bill.

If the Department of Commerce and Insurance elects to use contracted individuals exclusively, the department would be able to utilize staff assigned to this task in other areas.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

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